

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Nora Mead Brownell, and Suedeene G. Kelly.

Baltimore Gas and Electric Company; and	Docket Nos. ER05-515-000
Pepco Holdings, Inc. Operating Affiliates:	ER05-515-001
Potomac Electric Power Company, Delmarva	
Power & Light Company, and	
Atlantic City Electric Company	

ORDER APPROVING UNCONTESTED SETTLEMENT

(Issued April 19, 2006)

1. On March 20, 2006, certain transmission owners within PJM Interconnection, L.L.C. (PJM)¹ filed an uncontested settlement in Docket No. ER04-515-000. On March 30, 2006, Commission Trial Staff filed comments supporting the offer of settlement. No other comments were received. On April 6, 2006, the settlement judge certified the uncontested settlement to the Commission.²
2. The subject settlement resolves all of the issues set for hearing in Docket No. ER05-515-000, including the formula rates to be charged by Indicated PJM TOs. The settlement appears to be fair and reasonable and in the public interest. It is hereby approved and the revised tariff sheets are accepted for filing effective June 1, 2005. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.
3. The rate schedule designations submitted as part of the settlement are in compliance with Order No. 614, and are accepted for filing and made effective as set forth in the settlement. *See* Designation of Electric Rate Schedule Sheets, Order No. 614, 65 Fed. Reg. 18,221, FERC Statutes & Regulations, Regulations Preambles July 1996-December 2000 ¶ 31,096 (2000).

¹ Baltimore Gas and Electric Company (BG&E) and Pepco Holdings, Inc. and its operating affiliates (the PHI Companies) (Indicated PJM TOs).

² *Baltimore Gas and Electric Co.*, 115 FERC ¶ 63,003 (2006).

4. The approval of this settlement also permits termination of Docket No. ER05-515-001, in which Indicated PJM TOs and PPL sought rehearing of the Commission's order setting the Indicated PJM TOs' formula rates for hearing.³ Thus, this order terminates Docket No. ER05-515-000 and ER05-515-001.

By the Commission. Commissioner Kelly dissenting in part with a separate statement attached.

(S E A L)

Magalie R. Salas,
Secretary.

³ *Allegheny Power Systems Operating Companies*, 111 FERC ¶ 61,308 (2005).

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KELLY, Commissioner, *dissenting in part*:

For the reasons I have previously set forth in *Wisconsin Power & Light Co.*, 106 FERC ¶ 61,112 (2004), I do not believe that the Commission should depart from its precedent of not approving settlement provisions that preclude the Commission, acting *sua sponte* on behalf of a non-party, or pursuant to a complaint by a non-party, from investigating rates, terms and conditions under the “just and reasonable” standard of section 206 of the Federal Power Act at such times and under such circumstances as the Commission deems appropriate.

Therefore, I disagree with this order to the extent it accepts for filing a settlement that provides, in relevant part: “The standard of review for any modifications to this Settlement requested by (i) a Settling Party, other than those modifications set forth in a written amendment executed by the Settling Parties, or (ii) the Commission, shall be the ‘public interest’ standard. The standard of review for any modifications requested by any other non-party shall be the most stringent standard permissible under applicable law.”

	_____ Suede G. Kelly
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